

GENERAL INFORMATION
(Time Share Subdivision)RE 646A (New 3/90)

The project described in this **Subdivision Public Report** (or **Permit** if this project is located outside California) is known as a time share subdivision. Read the Public Report carefully for more information about the type of subdivision. The subdivision includes common areas and facilities which will be owned and/or operated by an owners' association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing instruments ...

Your interest in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and Bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments ...

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your time share interest. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your interest may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Owners' association ...

A time share owners' association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this subdivision. The association will also, through its Board of Directors, employ an agent to manage the day-to-day opera-

tion of the time share subdivision. You should consider taking an active part in the affairs of the association to insure that the integrity of your time share interest is maintained. You can accomplish this by being elected to and serving as a member of the Board of Directors. Otherwise, your control over the operation of the time share program is limited to your vote as a member of the association. There are actions that can be taken by the governing body with a vote of the members of the association which can have a significant impact upon the operation of the time share program.

Association control ...

Until there is sufficient number of purchasers of interest in a time share subdivision to elect a majority of the governing body, it is likely that the sponsor will effectively control the affairs of the association. It is frequently necessary and equitable that the sponsor do so during the early stages of the project. It is vitally important to the owners of individual subdivision interests that the transition from sponsor to interest-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Overall consideration ...

When contemplating the purchase of an interest in a time share subdivision, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to your costs as well as the operation and management of the project.
